



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 05-27, Oklahoma State Income Tax Withholding

Date: June 1, 2005

To: Holders of TAXES (State of Oklahoma only)  
Personnel User Groups  
T&A Contact Points in Oklahoma

Beginning with wages paid for Pay Period 11, the National Finance Center (NFC) will make the following changes to the state of Oklahoma income tax withholdings:

- The exemption allowance for Single and Married will increase from \$3,100 to \$3,200.
- The standard deduction amount for Single will increase from \$4,850 to \$5,000.
- The standard deduction amount for Married will increase from \$9,700 to \$10,000.
- The Single Federal taxable wages and Married Federal taxable wages tables will change.
- The nontaxable flexible spending accounts (health care and dependent care) deductions statement will be added to step 2 on the state tax formula.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov).

MARK J. HAZUDA, Director  
Government Employees Services Division

# Oklahoma State Income Tax Information

<b>State Abbreviation:</b>	OK
<b>State Tax Withholding State Code:</b>	40
<b>Basis For Withholding:</b>	Federal Exemptions
<b>Acceptable Exemption Form:</b>	None
<b>Acceptable Exemption Data:</b>	None
<b>TSP Deferred:</b>	Yes
<b>Special Coding:</b>	None
<b>Additional Information:</b>	A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

## Withholding Formula ►(Effective Pay Period 11, 2005)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) ►(includes flexible spending account - health care and dependent care deductions)◄ from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages <sup>1</sup>.

<sup>1</sup> The maximum amount of annual wages subject to the Oklahoma tax withholding formula is \$22,560.

5. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4.

$$\text{Exemption Allowance} = \$1,000 \times \text{Number of Exemptions}$$

6. Determine the standard deduction by applying the following guideline and subtract this amount from the result of step 5.

$$\text{Standard Deduction}^2 = 15 \text{ Percent} \times \text{Annual Wages}^3$$

<sup>2</sup> Minimum of \$1,000/Maximum of \$2,000

<sup>3</sup> Obtained in step 4

7. Determine the Federal tax deduction based on marital status by applying the following guideline to determine the taxable income.

**Single**

- a. Multiply the number of exemptions by ►\$3,200◄ to obtain the allowance for exemptions.
- b. Subtract the result of step 7a from the annual wages computed in step 4.
- c. Subtract ►\$5,000◄ from the result of step 7b.
- d. Apply the result of step 7c to the following table:

**Federal Taxable Wages:**

Over:	But Not Over:	Amount of Tax
\$ 0	\$ ►7,300	\$ 0.00 plus 10% over \$0
7,300	and over	730.00 plus 15% over 7,300◄

- e. Subtract the result of step 7d from the result of step 6 and proceed to step 8.

**Married**

- f. Multiply the number of exemptions by ►\$3,200◄ to obtain the allowance for exemptions.
- g. Subtract the result of step 7f from the annual wages computed in step 4.
- h. Subtract ►\$10,000◄ from the result of step 7g .
- i. Apply the result of step 7h to the following table:

**Federal Taxable Wages:**

Over:	But Not Over:	Amount of Tax
\$ 0	\$ ►14,600	\$ 0.00 plus 10% over \$0
14,600	and over	1,460.00 plus 15% over 14,600◄

- j. Subtract the result of step 7i from the result of step 6 and proceed to step 8.

8. Apply the taxable income computed in step 7 to the following table to determine the annual Oklahoma tax withholding.

**Tax Withholding Table  
Single**

If the Amount of Taxable Income Is:		The Amount of Oklahoma Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ 1,000	\$ 0.00	plus	0.5%	\$ 0
1,000	2,500	5.00	plus	1.0%	1,000
2,500	3,750	20.00	plus	2.0%	2,500
3,750	4,900	45.00	plus	3.0%	3,750
4,900	6,100	79.50	plus	4.0%	4,900
6,100	7,500	127.50	plus	5.0%	6,100
7,500	9,000	197.50	plus	6.0%	7,500
9,000	10,500	287.50	plus	7.0%	9,000
10,500	12,500	392.50	plus	8.0%	10,500
12,500	16,000	552.50	plus	9.0%	12,500
16,000	and over	867.50	plus	10.0%	16,000

**Married**

If the Amount of Taxable Income Is:		The Amount of Oklahoma Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ 2,000	\$ 0.00	plus	0.5%	\$ 0
2,000	5,000	10.00	plus	1.0%	2,000
5,000	7,500	40.00	plus	2.0%	5,000
7,500	8,900	90.00	plus	3.0%	7,500
8,900	10,400	132.00	plus	4.0%	8,900
10,400	12,000	192.00	plus	5.0%	10,400
12,000	13,250	272.00	plus	6.0%	12,000
13,250	15,000	347.00	plus	7.0%	13,250
15,000	18,000	469.50	plus	8.0%	15,000
18,000	and over	709.50	plus	9.0%	18,000

- 9. Note:** If the annual wages in step 4 are greater than \$22,560, use step 9 to compute the additional tax withholding (ATW). Otherwise, proceed to step 10. Determine the ATW by applying the following guideline and add this amount to the result of step 8:

**Additional Tax Withholding Computation**

Compute Annual Wages<sup>4</sup> - \$22,560 = Annual wages over \$22,560. Annual wages over \$22,560 x 6.65 percent = ATW.

<sup>4</sup> Annual wages computed in step 4, if over \$22,560

- 10.** Divide the annual Oklahoma tax withholding by 26 and round to the nearest dollar to obtain the biweekly Oklahoma tax withholding.